

Memorandum

To: DIRECTOR
CHIEF DEPUTY DIRECTOR
DEPUTY DIRECTORS
DISTRICT DIRECTORS
DIVISION CHIEFS
PROGRAM MANAGERS

Date: April 8, 2022

From: KEITH DUNCAN
Chief
Division of Budgets

Subject: **FISCAL YEAR 2022-23 CALIFORNIA TRANSPORTATION FINANCING PACKAGE**

The California Transportation Financing Package is prepared annually and distributed by the California Department of Transportation Division of Budgets. The package summarizes the source and distribution of transportation funds at the state level and is based on the 2022-23 Governor's Proposed Budget released on January 10, 2022.

The details are presented in the attached "California Transportation Financing Summary" and in the following charts:

Chart A - "Source and Distribution of California State Motor Vehicle Fees and User Taxes"

Chart B - "Transportation Bonds – 1A and 1B"

Chart C - "Budgetary Flow of California State Fees and Taxes Designated for Transportation Purposes"

Chart D - "Distribution of California Sales Tax Revenue"

Chart E - "Motor Vehicle License Fee Distribution"

Chart F - "State Transportation Revenues"

Chart G - "Incremental Excise Tax Distribution"

Attachments

CALIFORNIA TRANSPORTATION FINANCING SUMMARY

FISCAL YEAR 2022-23

BUDGET SUMMARY

On January 10th, Governor Newsom released the proposed budget for the upcoming 2022-23 fiscal year, which represents the initial step in the budgetary process that will ultimately lead to approval of the Budget Act in June later this year. The proposed budget for the California Department of Transportation (Caltrans) is a little over \$20 billion, which reflects an increase of almost \$2.7 billion (or 15.5%) from the current 2021-22 enacted budget and represents the highest ever proposed budget for Caltrans.

The largest portion of the total increase is attributed to the recently enacted federal Infrastructure Investment and Jobs Act (IIJA), which represents a total increase of almost \$1.9 billion for the upcoming fiscal year. It is important to note the increase of \$1.9 billion was budgeted as 60 percent to Capital Outlay and 40 percent to Local Assistance appropriations, which is consistent with historical funding splits. This is budgeted as a placeholder and may be adjusted in the coming months based on the outcomes of the deliberative process the California Transportation Agency (CalSTA) has initiated with many state transportation stakeholders, including Caltrans, to determine how best to implement this new federal funding.

The proposed \$2.7 billion increase to Caltrans's budget is spread across multiple areas. It includes a \$305 million increase in State Operations for multiple Budget Change Proposals to support departmental operations, and salary increases that were negotiated and approved by the legislature this past July. The increases to both Capital Outlay (increase of \$1.45 billion) and Local Assistance (increase of \$932 million) are attributed to the increase in federal funding from the IIJA and a Transportation Infrastructure Package that was included in the Governor's proposed budget.

The Governor's proposed budget also includes a proposal to forego the annual inflation adjustment on the fuel excise taxes scheduled for July 1, 2022 (the planned increase was estimated to be 5.6 percent based on most recent consumer price index formulas). This is intended to help lower the price of gasoline and diesel to provide some relief to consumers. The estimated impact is a revenue loss of almost \$523 million. The rate will be resumed in 2023-24 with flexibility to delay the adjustment to minimize the impact to consumers depending upon economic conditions. It is important to note the fiscal impacts to Caltrans are mitigated by the higher than anticipated fuel excise tax revenue for the current and upcoming fiscal years, in addition to the increase in federal funding from the IIJA, and federal pandemic related relief funding received this past fiscal year.

The Governor's Budget aligns resources with transportation infrastructure needs. Highlighted 2022-23 Budget Change Proposals include:

- **Equipment Fleet Replacement** – A proposed two-year request of \$176 million annually to replace fleet equipment and install zero emission vehicle and fast fueling infrastructure, increased volumes of fleet design, purchasing, fabrication, and administration to meet state requirements and mandates.
- **Pedestrian and Bicyclist Safety Investigation** – A proposed permanent increase of \$2.3 million and 12 permanent positions to develop and manage the Pedestrian and Bicyclist Safety Investigation Program consistent with the Federal Highway Safety Improvement Program.
- **Transportation System Network Replacement (TSNR)** – A proposed one-time request of \$6.9 million and ten positions for continued support of the TSNR. The new enterprise TSNR safety data system will provide storage for required data, support advanced safety analysis and performance measures to improve roadway safety, reduce fatalities and injuries for all road users including pedestrians and bicyclists on all public roads, and support “Toward Zero Deaths” goal.
- **Traffic Operations Systems Network (TOSNet) Cybersecurity Enhancements** – A proposed permanent increase of 26 positions and two years of equipment, software, and consultant funding, totaling \$17.2 million, which will be used to modernize operations, provide resiliency, and reduce risk in the event of a cybersecurity incident.
- **Road Usage Charge Pilot (Senate Bill 339)** – A proposed two-year increase of \$3 million annually and six limited-term positions to conduct a road charge revenue collection pilot to implement requirements of Senate Bill 339. The resources will enable continued research into the feasibility of transportation revenue from a fee charged per mile per vehicle travel (a road charge).
- **Office of Unmanned Aircraft Systems (UAS)** – A proposed permanent increase of \$414,000 for two permanent positions related to drone deployment, management, and statewide training activities needed to support the UAS program.
- **Enterprise Data Storage** – A proposed permanent increase of 6 positions and two years of equipment, software, and consultant funding, totaling \$35.4 million. These resources are needed to increase data storage and protection to support the continued planning and delivery of transportation projects and maintenance of California's transportation assets.
- **Enterprise Data Governance Technology Solution** – A proposed one-time increase of \$535,000 in operating expenses to complete stage 3 of the Project Approval Lifecycle. These resources will enable the Enterprise Data Governance Technology

Solution project to procure and implement a suite of enterprise data governance related tools for data stewards and data custodians.

- **Advantage Financial Management System Upgrade** – A proposed one-time increase of \$8 million to upgrade the Caltrans financial management system to a supported version of the software.
- **Continuation of Proposition 1B Administrative Support** – A proposed two-year extension of 12 positions (a reduction from 18.5 positions), totaling \$1.75 million, to continue the administration of the workload associated with Caltrans' responsibilities under Proposition 1B, the "Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006".

The California Transportation Financing Package illustrates the flow of specific dollars, from collection to distribution, and includes transportation funding financed by the issuance of general obligation bonds under the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) and the High-Speed Passenger Train Bond Act of 2008 (Proposition 1A). Any changes made during the legislative process are not reflected in the package.

TRANSPORTATION FUNDS

Transportation revenue is generated from user taxes and fees, and is deposited in separate funds. Within the funds are several accounts that help facilitate the accounting of all receipts and expenditures. An overview of the fund and account activity planned for 2022-23 is provided on the following pages. Please note, not all of the accounts listed are administered by Caltrans. The funds and accounts are:

Transportation Tax Fund

- Highway Users Tax Account
- Motor Vehicle Fuel Account
- Motor Vehicle License Fee Account

State Transportation Fund

- Advance Mitigation Account
- Aeronautics Account
- Local Airport Loan Account
- Motor Vehicle Account
- Public Transportation Account
- Road Maintenance and Rehabilitation Account
- State Highway Account
- Trade Corridor Enhancement Account
- Transportation Financing Subaccount

Other Funds

- Greenhouse Gas Reduction Fund
- Historic Property Maintenance Fund
- State Route 710 Rehabilitation Account
- Traffic Congestion Relief Fund
- Transportation Debt Service Fund

Transportation Bonds

- **Proposition 1B** – Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006
 - California Ports Infrastructure, Security, and Air Quality Improvement Account
 - Corridor Mobility Improvement Account
 - Trade Corridors Improvement Fund
 - Transportation Facilities Account
 - Public Transportation Modernization, Improvement and Service Enhancement Account
 - State-Local Partnership Program Account
 - Local Bridge Seismic Retrofit Account
 - Highway-Railroad Crossing Safety Account
 - Highway Safety, Rehabilitation, and Preservation Account
 - State Route 99 Account
- **Proposition 1A** – High-Speed Passenger Train Bond Fund of 2008

TRANSPORTATION TAX FUND:

Highway Users Tax Account (0062)

The Highway Users Tax Account (HUTA) receives transfers from the Motor Vehicle Fuel Account (MVFA) consisting of the net revenue (after statutory transfers) of diesel and gasoline fuel taxes. The proposed budget estimates that \$9,140,163,000 is available for distribution as follows:

Highway Users Tax Account	
Cities and Counties	\$1,237,275,000
Counties	410,557,000
Cities	299,539,000
State Parks and Recreation Fund	3,400,000
State Controller's Office	1,841,000
Supplemental Pension Payments	43,000
Statewide General Administrative Expenditures	111,000
Traffic Corridor Enhancement Account	390,655,000
Road Maintenance and Rehabilitation Account	2,331,670,000
Weight Fee Backfill	1,323,033,000
Balance to State Highway Account	3,142,039,000
Accumulated Balance	0
Total	\$9,140,163,000

Motor Vehicle Fuel Account (0061)

Revenues from excise taxes on gasoline, diesel, and aviation fuels are collected and deposited in the MVFA. The proposed budget estimates that \$9,606,954,000 is available for distribution as follows:

Motor Vehicle Fuel Account	
Food and Agriculture Fund	\$75,452,000
Aeronautics Account	6,294,000
Department of Tax and Fee Administration	34,317,000
State Controller's Office	5,374,000
Supplemental Pension Payments	877,000
Statewide General Administrative Expenditures	2,429,000
Off-Highway Vehicle Trust Fund	65,270,000
State Parks and Recreation Fund	102,233,000
Harbors and Watercraft Revolving Fund	11,737,000
General Fund	162,808,000
Balance to Highway Users Tax Account	9,140,163,000
Total	\$9,606,954,000

Motor Vehicle License Fee Account (0064)

Motor Vehicle License fees and miscellaneous in-lieu fees are collected and deposited into the Motor Vehicle License Fee Account (see Chart E). The proposed budget estimates that \$809,068,000 is available for distribution as follows:

Motor Vehicle License Fee Account	
Local Revenue Fund 2011	\$787,180,000
Franchise Tax Board	6,815,000
Department of Motor Vehicles	12,733,000
State Controller's Office	17,000
Supplemental Pension Payments	440,000
Statewide General Administrative Expenditures	1,883,000
Accumulated Balance	0
Total	\$809,068,000

STATE TRANSPORTATION FUND:

Advance Mitigation Account (2504)

The Advance Mitigation Account was created to enhance communications between Caltrans and stakeholders in order to protect natural resources and to accelerate transportation infrastructure project delivery. Initial funding transfers were from the State Highway Account (SHA) of resources typically used for the State Highway Operation and Protection Program (SHOPP) and the State Transportation Improvement Program (STIP). The account is intended to be self-sustaining through acquisition and development of mitigation credits and reimbursement from transportation projects for use of those credits. The proposed budget estimates that \$93,238,000 is available for distribution as follows:

Advance Mitigation Account	
Capital Outlay	\$30,000,000
Accumulated Balance	63,238,000
Total	\$93,238,000

Aeronautics Account (0041)

Excise taxes attributable to jet fuel and the distribution of motor vehicle fuel for use in propelling aircraft are transferred from the MVFA in the Transportation Tax Fund to the Aeronautics Account. The Aeronautics Account provides funding for grants to qualifying airports, for acquisition and development, and state dollars to local agencies to match federal funds for airport improvements. The proposed budget estimates that \$12,961,000 is available for distribution as follows:

Aeronautics Account			
	State Funds	Federal Funds	Total Funds
State Operations	\$4,616,000	\$460,000	\$5,076,000
Local Assistance	3,990,000	0	3,990,000
Public Transportation Account	30,000	0	30,000
Statewide General Administrative Expenditures	375,000	0	375,000
Accumulated Balance	3,490,000	0	3,490,000
Total	\$12,501,000	\$460,000	\$12,961,000

Local Airport Loan Account (0052)

The Local Airport Loan Account (LALA) is a subaccount of the Aeronautics Account. Monies deposited in the LALA represent payments of principal and interest received on loans made by Caltrans to local agencies for acquisition, construction, improvement, maintenance, and operation of local airports. The accumulated balance of this fund is used for future loans to local agencies. The proposed budget estimates that \$7,673,000 is available for distribution as follows:

Local Airport Loan Account	
Aeronautics Account	\$2,500,000
Local Assistance	-475,000
Accumulated Balance	5,648,000
Total	\$7,673,000

Motor Vehicle Account (0044)

Motor vehicle registration, driver's license, and off-highway vehicle registration fees are collected and deposited into the Motor Vehicle Account. The proposed budget estimates that \$5,163,136,000 is available for distribution as follows:

Motor Vehicle Account	
State Highway Account	\$1,831,000
Motor Vehicle License Fee Account	957,000
General Fund	60,000
Environmental License Plate Fund	98,000
Interest Transfer to Other Accounts	29,000
Secretary for Environmental Protection	1,832,000
Department of Justice	30,898,000
Judicial Branch	226,000
Energy Resources Conservation and Development Commission	211,000
California Public Employees' Retirement Fund	25,000,000
California Highway Patrol	2,587,261,000
Department of Motor Vehicles	1,321,039,000
Department of Public Health	1,667,000
Commission on State Mandates	1,805,000
California State Transportation Agency	1,421,000
Air Resources Board	164,729,000
Franchise Tax Board	3,620,000
Department of Food and Agriculture	10,935,000
Office of Environmental Health Hazard Assessment	5,271,000
Department of Education	1,019,000
Supplemental Pension Payments	240,311,000
Statewide General Administrative Expenditures	68,992,000
Accumulated Balance	693,924,000
Total	\$5,163,136,000

Public Transportation Account (0046)

Resources in the Public Transportation Account (PTA) may only be used for transportation planning and mass transportation purposes. Due to the passage of Assembly Bills (AB) 6 and 9 of the Eighth Extraordinary Session of 2009-10 (Chapter 11, Statutes of 2010), Senate Bill 70 (Chapter 9, Statutes of 2010), and AB 105 (Chapter 6, Statutes of 2011), collectively known as the Fuel Tax Swap of 2010, the only remaining source of revenue for the PTA was the sales tax on diesel fuel. With the enactment of Senate Bill (SB) 1, the PTA also receives deposits of the new Transportation Improvement Fee (TIF). Other resources include annual transfers from the SHA and the Aeronautics Account for planning cost.

The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. The Governor's proposed budget estimates that \$3,025,030,000 is available for distribution as follows:

Public Transportation Account			
	State Funds	Federal Funds	Total Funds
State Operations	\$212,580,000	\$44,551,000	\$257,131,000
Local Assistance	798,857,000	189,803,000	988,660,000
Capital Outlay	24,632,000	61,151,000	85,783,000
Public Utilities Commission	8,926,000	0	8,926,000
State Controller's Office	19,000	0	19,000
California Transportation Commission	4,683,000	0	4,683,000
Supplemental Pension Payments Statewide General	1,963,000	0	1,963,000
Administrative Expenditures	6,514,000	0	6,514,000
University of California	980,000	0	980,000
State Transit Assistance (Local Assistance)	855,728,000	0	855,728,000
California State Transportation Agency (State Operations)	1,477,000	0	1,477,000
California State Transportation Agency (Local Assistance)	47,598,000	0	47,598,000
Cash Adjustment for Transportation Funds	-530,171,000	0	-530,171,000
Accumulated Balance	1,295,739,000	0	1,295,739,000
Total	\$2,729,525,000	\$295,505,000	\$3,025,030,000

Road Maintenance and Rehabilitation Account (3290)

The Road Maintenance and Rehabilitation Account (RMRA) was created as part of the Road Repair and Accountability Act of 2017, also known as SB 1. Pursuant to SB 1, the RMRA receives revenues attributable to increased fuel taxes, a portion of TIF and the Road Improvement Fee (Zero-Emission Vehicles).

The resources made available through the RMRA will be used to address deferred maintenance and rehabilitation projects on the state highway system and the local streets and roads system. It will also fund allowable safety, rail, active transportation and trade corridor investments. After earmarks, the remaining revenues in the RMRA are divided evenly between state and local apportionments. The proposed budget estimates that \$4,354,997,000 will be available for distribution as follows:

Road Maintenance and Rehabilitation Account	
State Operations	\$771,767,000
Local Assistance	316,391,000
Capital Outlay	1,245,677,000
Cities and Counties	1,508,249,000
Department of Motor Vehicles	7,221,000
Air Resources Board	19,000
University of California	5,000,000
California State University	2,500,000
State Controller's Office	642,000
Statewide General Administrative Expenditures	6,501,000
State Highway Account	25,000,000
Accumulated Balance	466,030,000
Total	\$4,354,997,000

State Highway Account (0042)

The SHA is the largest transportation account and retains the bulk of resources available for the state's highway transportation system. The primary sources of revenue for the SHA are fuel taxes transferred from the HUTA, and reimbursements from the Federal Highway Trust Fund for federal-aid highway projects (see Chart A). Federal funds received by Caltrans come from federal fuel excise taxes paid by consumers at the pump. The taxes are apportioned and allocated back to the state through the Federal Transportation Act and the federal budget. Each federal-aid highway project must be authorized, in advance, by the Federal Highway Administration. Additionally, federal funds must be obligated before the state can be reimbursed. Once the authorization process and obligation of funds are completed, the state can recover federal reimbursements based on the expenditures of federally-eligible projects.

The Weight Fee Swap of 2011 redirected all weight fees to the Transportation Debt Service Fund (TDSF) for transportation debt service payments and General Fund loans. In return, the SHA receives monthly backfill payments, from the incremental excise tax (formerly the price-based excise tax), equal to the sum of weight fees that were redirected from the account.

Pursuant to SB 1, a portion of the new TIF revenue is deposited in the SHA for the Solutions for Congested Corridors program. In addition, the SHA receives transfers from the RMRA to support the Freeway Service Patrol program.

The accumulated balance in the following table represents resources available for future years, including commitments to existing projects, and assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$17,486,125,000 is available for distribution as reflected on the following page:

State Highway Account

	State Funds	Federal Funds	Total Funds
State Operations	\$3,472,902,000	\$946,330,000	\$4,419,232,000
Local Assistance	555,257,000	3,616,899,000	4,172,156,000
Capital Outlay	1,127,798,000	3,745,402,000	4,873,200,000
Unclassified	0	5,000,000	5,000,000
Public Transportation Account	25,046,000	0	25,046,000
Environmental Enhancement and Mitigation	7,000,000	0	7,000,000
Air Resources Board	179,000	0	179,000
Secretary for Transportation Agency	4,502,000	0	4,502,000
California Transportation Commission	3,811,000	0	3,811,000
California Highway Patrol	93,854,000	0	93,854,000
Department of Motor Vehicles	8,307,000	0	8,307,000
Department of Conservation	12,000	0	12,000
Public Utilities Commission	8,517,000	0	8,517,000
University of California	1,000,000	0	1,000,000
Transportation Debt Service Fund	1,408,033,000	0	1,408,033,000
Interest Payments to Federal Government	500,000	0	500,000
Supplemental Pension Payments	61,582,000	0	61,582,000
Statewide General Administrative Expenditures	264,928,000	0	264,928,000
Cash Adjustment for Transportation Funds	-387,826,000	0	-387,826,000
Accumulated Balance	2,517,092,000	0	2,517,092,000
Total	\$9,172,494,000	\$8,313,631,000	\$17,486,125,000

Trade Corridor Enhancement Account (3291)

The Trade Corridor Enhancement Account (TCEA) was created as part of SB 1. The TCEA receives revenue from a portion of the increase to the diesel fuel excise tax authorized by SB 1. Funds in the account shall be available for expenditure upon appropriation by the Legislature for corridor-based freight projects nominated by local agencies and the state. The proposed budget estimates that \$1,377,097,000 will be available for distribution as follows:

Trade Corridor Enhancement Account	
State Operations	\$19,881,000
Local Assistance	43,350,000
Capital Outlay	425,689,000
Air Resources Board	9,000
Statewide General Administrative Expenditures	136,000
Accumulated Balance	888,032,000
Total	\$1,377,097,000

Transportation Financing Subaccount (6801)

The Transportation Financing Subaccount was created to receive the deposit of proceeds from the sale of tax-exempt or taxable notes, known as Grant Anticipation Revenue Vehicles (GARVEE). These notes were issued by the State Treasurer to finance selected large-scale federal transportation projects administered by Caltrans. The funds in the subaccount are attributable to the GARVEE bond sales from 2004 and 2008, and are continuously appropriated and available for use as directed by the California Transportation Commission.

Transportation Financing Subaccount	
Capital Outlay	\$0
Accumulated Balance	0
Total	\$0

OTHER FUNDS:

Greenhouse Gas Reduction Fund (3228)

The Greenhouse Gas Reduction Fund was created to advance the goals of the California Global Warming Solutions Act of 2006, which hopes to reduce greenhouse gas emissions and support long-term, transformative efforts to improve public health and develop a clean energy economy. Monies appropriated from the fund may be allocated for the purpose of reducing greenhouse gas emissions in the state through investments. The proposed budget estimates that \$827,000 is available to Caltrans for distribution as follows:

Greenhouse Gas Reduction Fund	
State Operations	\$827,000
Accumulated Balance	0
Total	\$827,000

Historic Property Maintenance Fund (0365)

The Historic Property Maintenance Fund provides funding for costs associated with the maintenance and operation of federally-designated or state historic properties that are owned by Caltrans and are located in a freeway right-of-way corridor. Revenues are derived from 50 percent of the rental receipts collected on these historic properties. The proposed budget estimates that \$2,095,000 is available for distribution as follows:

Historic Property Maintenance Fund	
State Operations	\$1,137,000
Accumulated Balance	958,000
Total	\$2,095,000

State Route 710 Rehabilitation Account (2503)

The State Route 710 Rehabilitation Account was created to repair surplus residential properties that will benefit citizens of low or moderate income subject to displacement. Revenues are derived from the sales of surplus residential property. The proposed budget estimates that \$10,929,000 is available for distribution as follows:

State Route 710 Rehabilitation Account	
State Operations	\$1,675,000
State Highway Account	8,054,000
Accumulated Balance	1,200,000
Total	\$10,929,000

Traffic Congestion Relief Fund (3007)

The Traffic Congestion Relief Fund provides funding for deferred maintenance on local streets and roads, and congestion relief projects. It provides additional transportation capacity in high growth areas of the state. The accumulated balance in the table below represents resources available for future years, including commitments to existing projects. The proposed budget estimates that \$27,518,000 is available for distribution as follows:

Traffic Congestion Relief Fund	
State Operations	\$938,000
Cash Adjustment for Transportation Funds	8,229,000
Accumulated Balance	18,351,000
Total	\$27,518,000

Transportation Debt Service Fund (3107)

The TDSF was established for payment of debt service on bonds including those issued pursuant to the Clean Air and Transportation Improvement Act of 1990, the Passenger Rail and Clean Air Bond Act of 1990, the Seismic Retrofit Bond Act of 1996, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, and the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. As part of the Weight Fee Swap, weight fees deposited into the SHA are subsequently transferred to the TDSF. The proposed budget estimates that \$1,408,033,000 is available for distribution as follows:

Transportation Debt Service Fund	
General Obligation Bonds	\$1,408,033,000
Accumulated Balance	0
Total	\$1,408,033,000

PROPOSITION 1B – HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY BOND ACT OF 2006

Proposition 1B, approved by voters in November 2006, authorized the issuance of \$19.925 billion in state general obligation bonds under the Bond Act. The objectives of the Bond Act are to improve transportation, air quality, and port security, through the creation of new transportation accounts and programs, and by providing new funding for existing programs.

The 2022-23 proposed budget includes \$59 million for Proposition 1B bond programs and existing projects. This includes approximately \$42 million for Capital Outlay and over \$9 million for Local Assistance.

Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (6053)

Bond funding of \$59,006,000 will be distributed from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 as follows:

Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006	
California Ports Infrastructure, Security, and Air Quality Improvement Account	\$1,282,000
Corridor Mobility Improvement Account	878,000
Trade Corridors Improvement Fund	20,232,000
Transportation Facilities Account	609,000
Public Transportation Modernization, Improvement and Service Enhancement Account	5,114,000
State-Local Partnership Program Account	370,000
Local Bridge Seismic Retrofit Account	4,687,000
Highway-Railroad Crossing Safety Account	1,871,000
Highway Safety, Rehabilitation, and Preservation Account	10,822,000
State Route 99 Account	13,141,000
Total	\$59,006,000

California Ports Infrastructure, Security, and Air Quality Improvement Account (6054)

The California Ports Infrastructure, Security, and Air Quality Improvement Account was established to fund infrastructure improvements along trade corridors, to reduce emissions from activities related to the movement of freight along California’s trade corridors, and to fund port, harbor and ferry terminal security improvements. The proposed budget estimates that \$1,282,000 is available for distribution as follows:

California Ports Infrastructure, Security, and Air Quality Improvement Account	
Air Resources Board	\$1,282,000
Total	\$1,282,000

Corridor Mobility Improvement Account (6055)

The Corridor Mobility Improvement Account was established to fund performance improvements on the state highway system, or major access routes to the state highway system on the local road system that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within these high-congestion travel corridors. Projects are identified by Caltrans and regional or local transportation agencies and are allocated by the Commission. The proposed budget estimates that \$878,000 is available for distribution as follows:

Corridor Mobility Improvement Account	
State Operations	\$573,000
Capital Outlay	305,000
Total	\$878,000

Trade Corridors Improvement Fund (6056)

The Trade Corridors Improvement Fund was established to fund infrastructure improvements along federally-designated "Trade Corridors of National Significance" in the state or along other corridors within the state that have a high volume of freight movement, as determined by the Commission. The proposed budget estimates that \$20,232,000 is available for distribution as follows:

Trade Corridors Improvement Fund	
State Operations	\$1,520,000
Local Assistance	3,045,000
Capital Outlay	15,667,000
Total	\$20,232,000

Transportation Facilities Account (6058)

The Transportation Facilities Account was established to augment funding for projects included in the STIP (Government Code, Section 14525.5). The proposed budget estimates that \$609,000 is available for distribution as follows:

Transportation Facilities Account	
State Operations	\$609,000
Total	\$609,000

Public Transportation Modernization, Improvement and Service Enhancement Account (6059)

The Public Transportation Modernization, Improvement and Service Enhancement Account was established to fund intercity rail projects and commuter or urban rail operators, bus operators, waterborne transit operators, and other transit operators in California. The account is used for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement. The proposed budget estimates that \$5,114,000 is available for distribution as follows:

Public Transportation Modernization, Improvement and Service Enhancement Account	
State Operations	\$771,000
Capital Outlay	4,343,000
Total	\$5,114,000

State-Local Partnership Program Account (6060)

The State-Local Partnership Program Account provides dollar-for-dollar matching funds for eligible transportation projects nominated by applicant transportation agencies. The proposed budget estimates that \$370,000 is available for distribution as follows:

State-Local Partnership Program Account	
State Operations	\$370,000
Total	\$370,000

Local Bridge Seismic Retrofit Account (6062)

The Local Bridge Seismic Retrofit Account was established to provide the required match for federal Highway Bridge Replacement and Repair funds available to the state for seismic work on local bridges, ramps, and overpasses, as identified by Caltrans. The proposed budget estimates that \$4,687,000 is available for distribution as follows:

Local Bridge Seismic Retrofit Account	
State Operations	\$169,000
Local Assistance	4,518,000
Total	\$4,687,000

Highway-Railroad Crossing Safety Account (6063)

The Highway-Railroad Crossing Safety Account was established to fund the completion of high-priority grade separation and railroad crossing safety improvements pursuant to Chapter 10 (Sections 2450 - 2461) of Division Three of the Streets and Highways Code (SHC). A dollar-for-dollar match of non-state funds shall be provided for each project, and the limitation on maximum project costs in SHC, Section 2454(g), shall not be applicable to projects funded with this account. The proposed budget estimates that \$1,871,000 is available for distribution as follows:

Highway-Railroad Crossing Safety Account	
State Operations	\$71,000
Local Assistance	1,800,000
Total	\$1,871,000

Highway Safety, Rehabilitation, and Preservation Account (6064)

The Highway Safety, Rehabilitation, and Preservation Account was established to fund the SHOPP, traffic light synchronization, and other technology-based projects, in order to improve safety, operations, and the effective capacity of local streets and roads (Government Code, Section 14526.5). The proposed budget estimates that \$10,822,000 is available for distribution as follows:

Highway Safety, Rehabilitation, and Preservation Account	
State Operations	\$410,000
Capital Outlay	10,412,000
Total	\$10,822,000

State Route 99 Account (6072)

The State Route 99 Account was established to provide funding for safety, operational enhancements, rehabilitation, or capacity improvements for the State Route 99 corridor that traverses approximately 400 miles of the state's central valley. The proposed budget estimates that \$13,141,000 is available for distribution as follows:

State Route 99 Account	
State Operations	\$1,714,000
Capital Outlay	11,427,000
Total	\$13,141,000

PROPOSITION 1A – HIGH-SPEED PASSENGER TRAIN BOND FUND

High-Speed Passenger Train Bond Fund (6043)

Proposition 1A, approved by voters in 2008, authorized \$9.95 billion in general obligation bonds to initiate the construction of a high-speed train system. The proposed budget includes \$32,770,000 for the Proposition 1A bond program as follows:

High-Speed Passenger Train Bond Fund	
High-Speed Rail Authority	\$32,770,000
Total	\$32,770,000

Attachments:

- Chart A: "Source and Distribution of California State Motor Vehicle Fees and User Taxes"
Summarizes the source and distribution of the state motor vehicle and user taxes, and that of the State Highway Account.
- Chart B: "Transportation Bonds"
Shows sources and distribution of various bond funds for existing programs.
- Chart C: "Budgetary Flow of California State Fees and Taxes Designated for Transportation Purposes"
Shows the budgetary flow of state motor vehicle fees and fuel taxes in California, along with other fund sources that constitute the financing available to Caltrans, as displayed in the 2022-23 proposed Governor's Budget.
- Chart D: "Distribution of California Sales Tax Revenue"
Shows the distribution of sales tax revenues from gasoline and diesel fuel sales to the Public Transportation Account and the Transportation Investment Fund.
- Chart E: "Motor Vehicle License Fee Distribution"
Shows the distribution of revenues from motor vehicle license fees to the Motor Vehicle License Fee Account.
- Chart F: "State Transportation Revenues"
Shows the distribution of total transportation revenues from state motor vehicle fees and fuel taxes designated for transportation purposes.
- Chart G: "Incremental Excise Tax Distribution"
Shows the distribution of the incremental excise fuel tax for 2022-23 based on the proposed Governor's Budget.

**2022-23 Fiscal Year
SOURCE AND DISTRIBUTION OF CALIFORNIA
STATE MOTOR VEHICLE FEES AND USER TAXES**

FEES & USER TAXES:	
Motor Vehicle License Fees.....	\$807,547,000
Motor Vehicle Registration, Driver's License.....	\$4,417,909,000
Off-Highway Registration	
Motor Vehicle Fuel Tax (Diesel).....	\$1,510,153,000
Motor Vehicle Fuel Tax (Gasoline and Jet Fuel).....	\$8,082,405,000
Motor Vehicle Registration (Weight Fees).....	\$1,323,033,000
Transportation Improvement Fee.....	\$2,069,078,000
Road Improvement Fee (Zero Emission Vehicles).....	\$38,163,000
Total	\$18,248,288,000

Other State Agencies, Funds, and Accounts
\$8,729,508,000

Cities, Counties, Cities & Counties
\$3,455,620,000

State Highway Account ¹
\$6,063,160,000

State Highway Account Resources:	
Reserves.....	\$2,981,106,000
Gasoline & Diesel Taxes.....	\$4,465,127,000
Motor Vehicle Weight Fees.....	\$1,323,033,000
Transportation Improvement Fee.....	\$250,000,000
Interest & Miscellaneous.....	\$128,228,000
Federal Reimbursement.....	\$8,313,631,000
Road Maintenance and Rehabilitation Account.....	\$25,000,000
Total Resources.....	\$17,486,125,000

DEPARTMENT OF TRANSPORTATION				
State Operations:	Capital Outlay:	Local Assistance:	Unclassified:	Cash Adjustment for Transportation Funds:
Project Development and Other Capital Support.....	Right-of-Way Acquisition & Engineering, Construction & Management	Local Assistance.....		
\$1,829,231,000		\$4,160,156,000		
Mass Trans. & Planning.....		Regional Planning.....		
\$73,839,000		\$12,000,000		
Program Development.....				
\$84,152,000				
Safety, Operations & Local Assist.....				
\$347,298,000				
Maintenance.....				
\$1,922,295,000				
Legal.....				
\$147,589,000				
Office of Inspector General.....				
\$14,828,000				
\$4,419,232,000	\$4,873,200,000	\$4,172,156,000	\$5,000,000	-\$387,826,000

OTHER AGENCIES, ACCOUNTS AND FUNDS	
Air Resources Board.....	\$179,000
Secretary for Transportation Agency.....	\$4,502,000
California Transportation Commission.....	\$3,811,000
California Highway Patrol.....	\$93,854,000
Department of Motor Vehicles.....	\$8,307,000
Department of Conservation.....	\$12,000
Environmental Enhancement and Mitigation Program Fund.....	\$7,000,000
Transportation Debt Service Fund.....	\$1,408,033,000
University of California.....	\$1,000,000
Interest Payments to Federal Government.....	\$500,000
Public Transportation Account.....	\$25,046,000
Public Utilities Commission.....	\$8,517,000
Supplemental Pension Payments.....	\$61,582,000
Statewide General Administrative Expenditures.....	\$264,928,000
\$1,887,271,000	

Reserve for Economic Uncertainties
\$2,517,092,000

¹ Includes resources that are transferred out for debt service.
Note: Retail sales tax on diesel is not included.

2022-23 Fiscal Year TRANSPORTATION BONDS

PROPOSITION 1B

HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY FUND OF 2006 (2660-6053) <i>Government Code, Sections 8879.20 - 8879.37</i>	
Revenues (Proceeds from Sale of Bonds).....	\$59,006,000
Transfers:	
6054 - California Ports Infrastructure, Security, and Air Quality Improvement Account.....	-\$1,282,000
6055 - Corridor Mobility Improvement Account.....	-\$878,000
6056 - Trade Corridors Improvement Fund.....	-\$20,232,000
6058 - Transportation Facilities Account.....	-\$609,000
6059 - Public Transportation Modernization, Improvement and Service Enhancement Account.....	-\$5,114,000
6060 - State-Local Partnership Program Account.....	-\$370,000
6062 - Local Bridge Seismic Retrofit Account.....	-\$4,687,000
6063 - Highway-Railroad Crossing Safety Account.....	-\$1,871,000
6064 - Highway Safety, Rehabilitation, and Preservation Account.....	-\$10,822,000
6072 - State Route 99 Account.....	-\$13,141,000
Total Resources.....	\$0

PROPOSITION 1A

HIGH-SPEED PASSENGER TRAIN BOND FUND (2665-6043) <i>Streets & Highways Code, Sections 2704.04 - 2704.095</i>	
Resources.....	\$32,770,000
High-Speed Rail Authority	
	\$32,770,000

CA PORTS INFRASTRUCTURE, SECURITY, AND AIR QUALITY IMPROVEMENT ACCOUNT (3900-6054) <i>Government Code, Section 8879.23(g)(c)</i>	
Resources.....	\$1,282,000
Air Resources Board	
	\$1,282,000

STATE-LOCAL PARTNERSHIP PROGRAM ACCOUNT (2660-6060) <i>Government Code, Section 8879.23(g)</i>	
Resources.....	\$370,000
State Operations	
	\$370,000

CORRIDOR MOBILITY IMPROVEMENT ACCOUNT (2660-6055) <i>Government Code, Section 8879.23(a)(1)</i>	
Resources.....	\$878,000
State Operations	Capital Outlay
\$573,000	\$305,000

LOCAL BRIDGE SEISMIC RETROFIT ACCOUNT (2660-6062) <i>Government Code, Section 8879.23(j)</i>	
Resources.....	\$4,687,000
State Operations	Local Assistance
\$169,000	\$4,518,000

TRADE CORRIDORS IMPROVEMENT FUND (2660-6056) <i>Government Code, Sections 8879.23(c)(1)(A) & 8879.52</i>		
Resources.....	\$20,232,000	
State Operations	Local Assistance	Capital Outlay
\$1,520,000	\$3,045,000	\$15,667,000

HIGHWAY-RAILROAD CROSSING SAFETY ACCOUNT (2660-6063) <i>Government Code, Section 8879.23(j)(1)</i>	
Resources.....	\$1,871,000
State Operations	Local Assistance
\$71,000	\$1,800,000

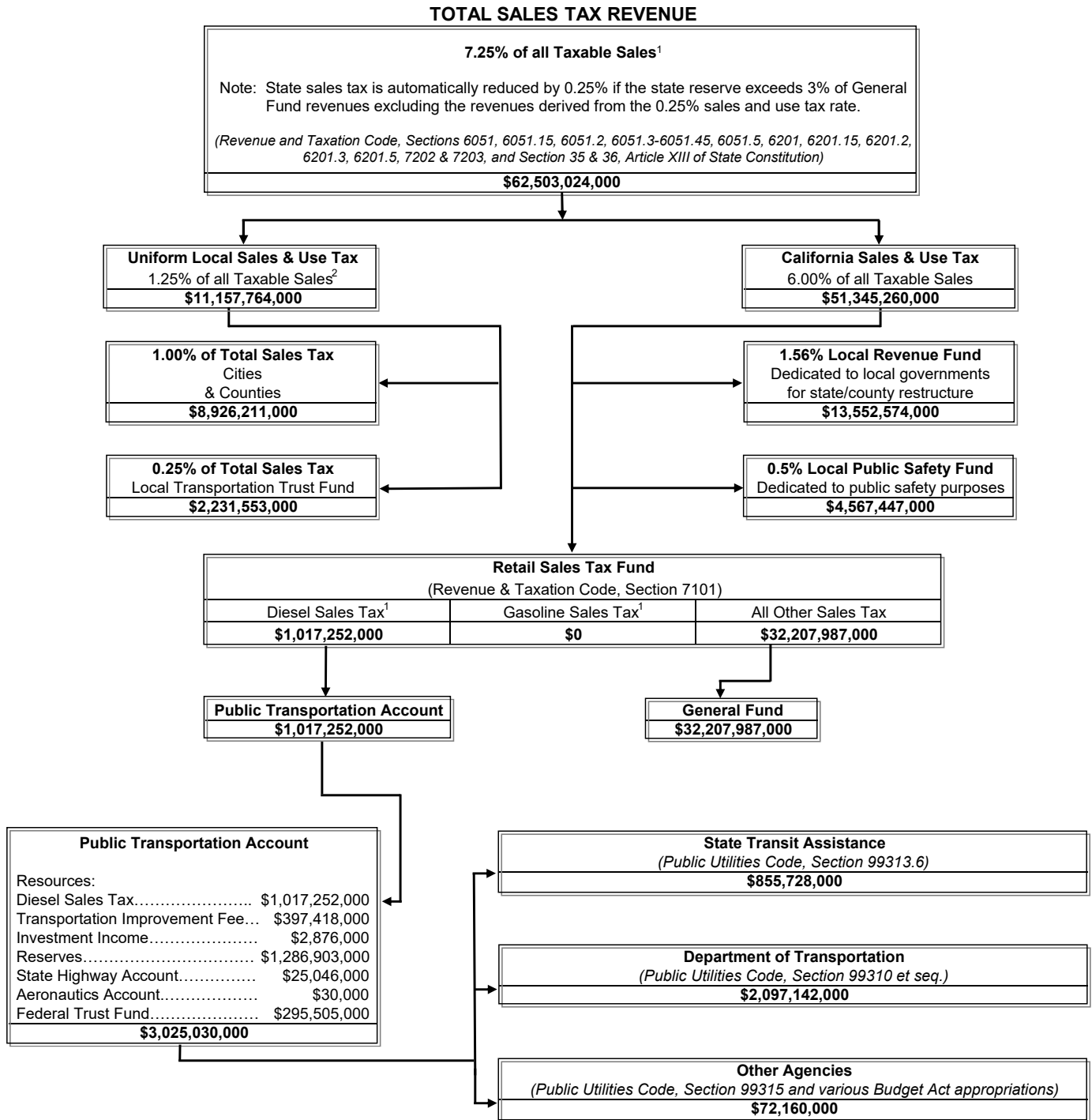
TRANSPORTATION FACILITIES ACCOUNT (2660-6058) <i>Government Code, Section 8879.23(e)</i>	
Resources.....	\$609,000
State Operations	
	\$609,000

HIGHWAY SAFETY, REHABILITATION, AND PRESERVATION ACCOUNT (2660-6064) <i>Government Code, Section 8879.23(k)(1)</i>	
Resources.....	\$10,822,000
State Operations	Capital Outlay
\$410,000	\$10,412,000

PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (2660-6059) <i>Government Code, Section 8879.23(f)(1)</i>	
Resources.....	\$5,114,000
State Operations	Capital Outlay
\$771,000	\$4,343,000

STATE ROUTE 99 ACCOUNT (2660-6072) <i>Government Code, Section 8879.23(b)</i>	
Resources.....	\$13,141,000
State Operations	Capital Outlay
\$1,714,000	\$11,427,000

2022-23 Fiscal Year
DISTRIBUTION OF CALIFORNIA SALES TAX REVENUE
 Dollar amounts are approximate and based on 2022-23 Governor's Proposed Budget
 and 2022-23 Department of Finance sales tax forecasts



¹ Total Sales and Use Tax collected on diesel is 13%. The Fuel Tax Swap (ABX8 6) enacted in March 2010, eliminated state sales tax on gasoline for transportation programs, and increased sales tax on diesel fuel by 1.75% beginning in 2014-15 pursuant to R&TC 6051.8(a). Senate Bill 1, enacted in April 2017, increased sales tax on diesel fuel by 4% beginning in November 2017 pursuant to R&TC 6051.8(b).

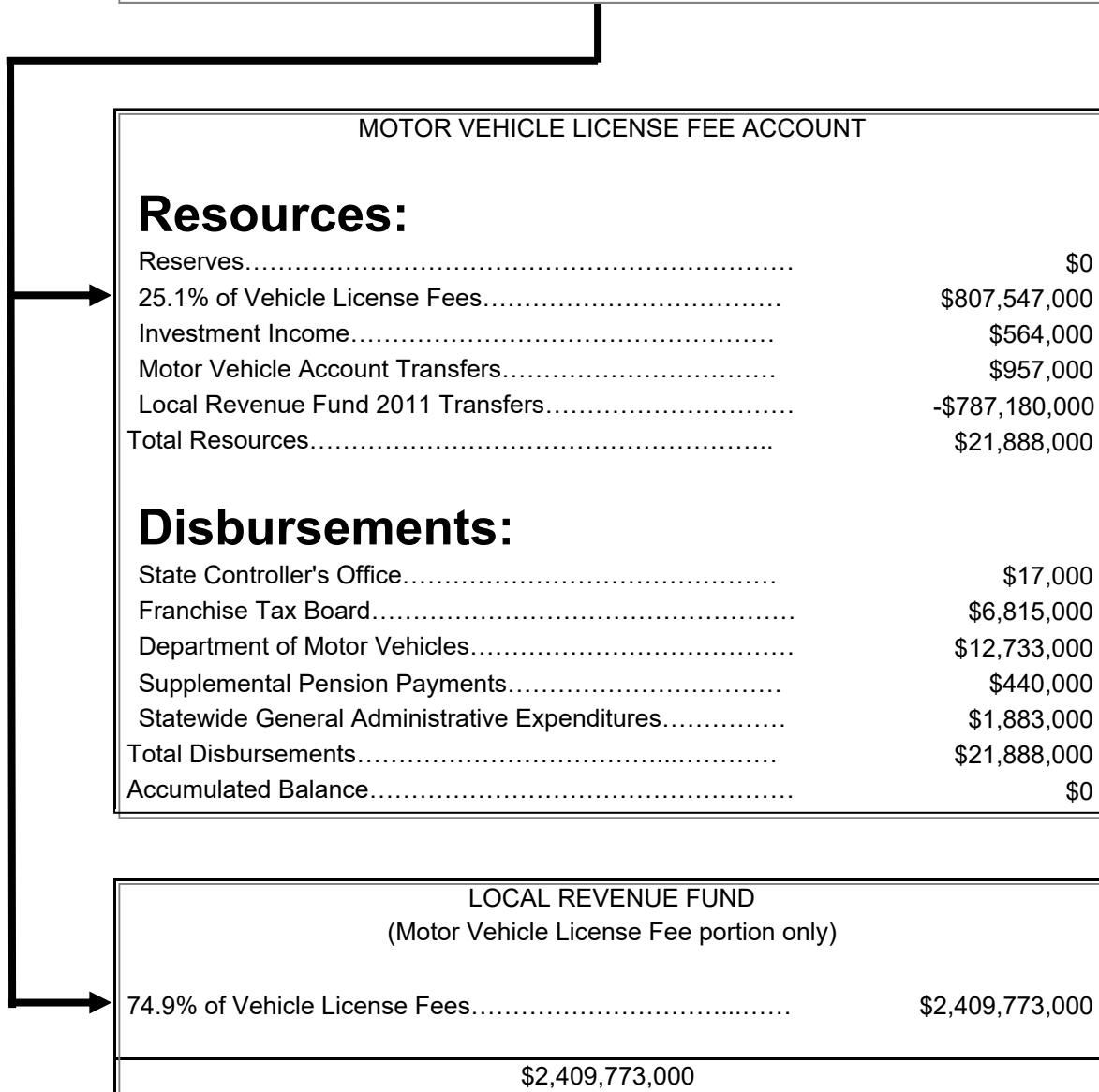
² Counties may impose additional district taxes for special purposes (mass transit systems, schools, public safety projects, etc.).

Notes: Amounts may not sum to totals due to independent rounding.

Taxes imposed, collected and deposited into the State Fiscal Recovery Fund per R&TC 6051.5 have ceased, and the State Fiscal Recovery Fund, historically shown, has been removed from this chart.

**2022-23 Fiscal Year
MOTOR VEHICLE LICENSE FEE DISTRIBUTION**

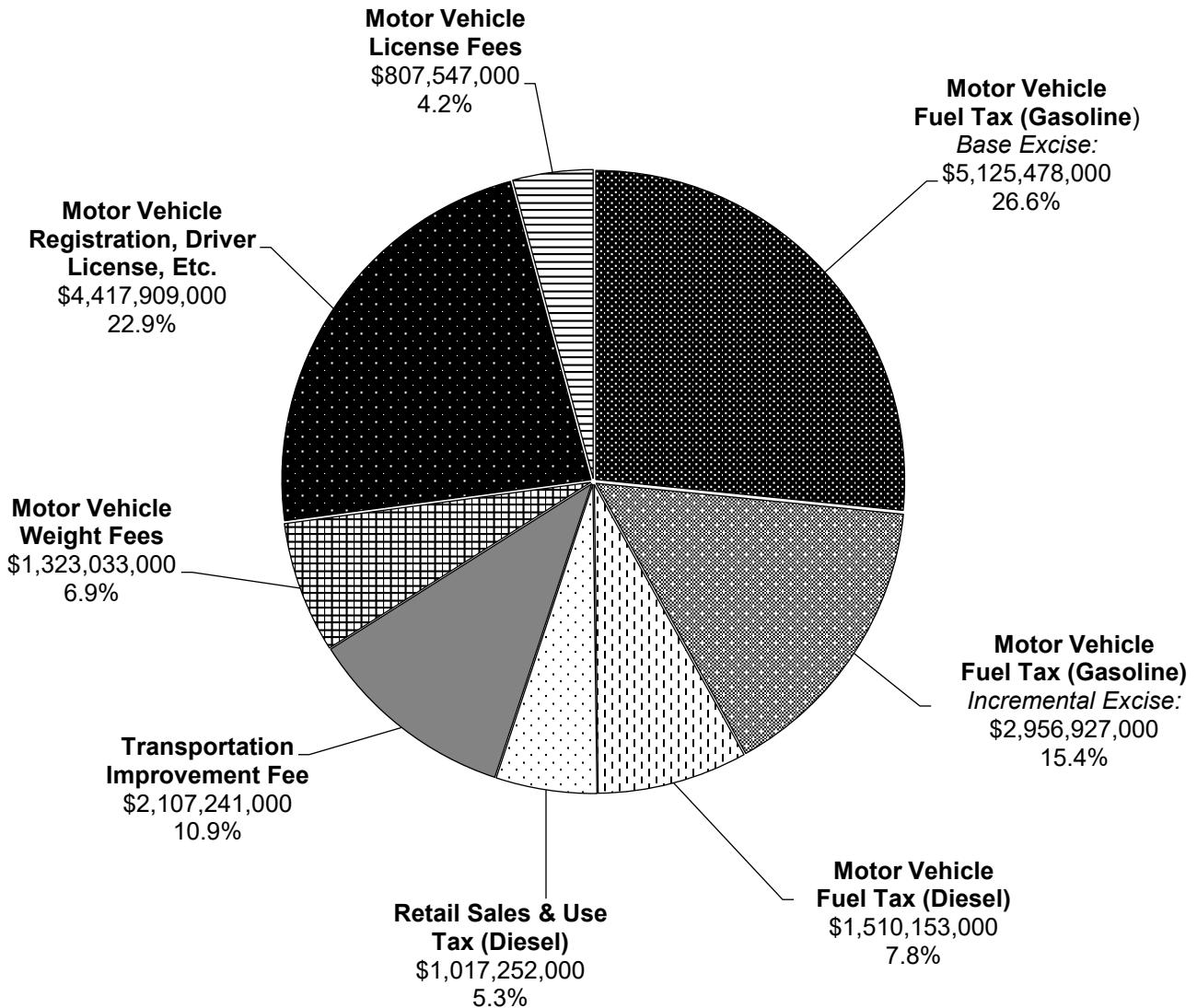
<p>MOTOR VEHICLE LICENSE FEE REVENUE*</p> <p>Revenue and Taxation Code, Sections 10752</p> <p>Vehicle License Fee</p> <p>0.65% of market value as determined by the Department of Motor Vehicles (annual amount).</p>
<p>\$3,217,320,000</p>



* Distribution of Vehicle License Fee revenue revised to 25.1% / 74.9%
(State / Local) split by Revenue and Taxation Code, Section 11001.5.

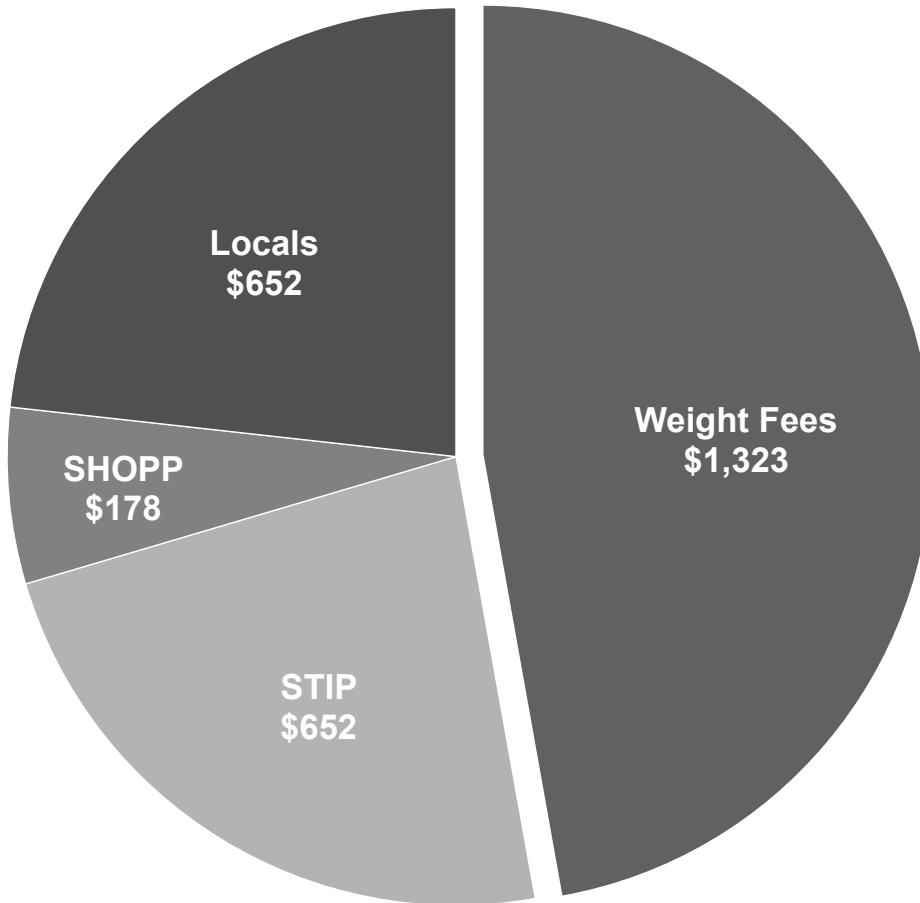
2022-23 Fiscal Year
STATE TRANSPORTATION REVENUES
 From California State Motor Vehicle Fees and Taxes

\$19.266 Billion
Total Revenues



Notes: Does not include funding from the various bond revenues.
 Motor Vehicle Fuel Tax (Gasoline) Base Excise Tax total includes Jet Fuel.
 Motor Vehicle Fuel Tax (Diesel) total includes Use Fuel.
 The 2021-22 Gasoline and Diesel Excise Tax Rates were set at 51.1 cpg and 38.9 cpg, respectively. The Budget proposes to pause the annual rate adjustments for 2022-23.
 Transportation Improvement Fee total includes Road Improvement Fee (Zero-Emission Vehicle).
 Weight Fees are transferred to the TDSF for transportation bond debt service, per Vehicle Code, Section 9400.4.

2022-23 Fiscal Year
INCREMENTAL EXCISE TAX DISTRIBUTION
(\$ in millions)



Total: \$2.8 Billion

Notes: Dollar values are as displayed in the 2022-23 Governor's Proposed Budget. The 2021-22 Incremental Excise Tax Rate was set at 18.7 cents per gallon. The Budget proposes to pause the annual rate adjustment for 2022-23. General Fund transfers are not displayed in the chart.